

CABINET AFFAIRS STAFFING MEMORANDUM

Date: 12/20/84 Number: ----- Due By: -----

Subject: Cabinet Council on Commerce and Trade and Trade Policy Committee

Planning Meeting Minutes - December 10, 1984

ALL CABINET MEMBERS	Action	FYI	Action	FYI
Vice President	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
State	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Treasury	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Defense	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Attorney General	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Interior	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Agriculture	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Commerce	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Labor	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
HHS	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
HUD	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Transportation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Energy	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Education	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Counsellor	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
OMB	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
CIA	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
UN	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
USTR	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
GSA	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
EPA	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
NASA	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
OPM	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
VA	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
SBA	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

REMARKS:

Attached for your information are the minutes of the joint Cabinet Council on Commerce and Trade and Trade Policy Committee meeting of December 10, 1984.

DCI
EXEC
REG

RETURN TO:

Craig L. Fuller
Assistant to the President
for Cabinet Affairs

Don Clarey Tom Gibson Larry Herboldsheimer
Associate Director
Office of Cabinet Affairs

L-300C

MINUTES
CABINET COUNCIL ON COMMERCE AND TRADE
AND TRADE POLICY COMMITTEE MEETING
Meeting #91, December 10, 1984
2:30 p.m., Roosevelt Room

Attendees: Messrs. Baldrige, Clark, Regan, Brock, McNamar, McGrath, Wright, Sanders, Dam, Searby, Niskanen, Svahn, Cicconi, Porter, Driggs, Herbolsheimer, Smith, Whitfield, Murphy, Massey, Wolfowitz, McCormack, Burnley, Kelly, Mares, Lyng, Wethington and Prestowitz

U.S. Trade Policy Toward Japan

The CCCT/TPC members met to review an interagency paper prepared by USTR and presented by Ambassador Brock on U.S. trade strategy toward Japan. The paper summarized the Administration's objectives toward Japan during the first term and the tactics employed. It presented three policy options for the next four years.

The three options were (1) a market-oriented sector selective ("MOSS") approach in which high level intensive negotiations would be carried out to remove Japanese market barriers in especially important sectors, backed by a U.S. willingness to use leverage (denying access to the U.S. market to induce Japanese action); (2) an "Import Goal" option in which we would seek Japan's commitment to increase its imports of manufactured goods and to decrease its bilateral trade deficit with the U.S. over a two-to-three year period; and (3) a USTR recommendation to pursue both approaches.

Action Taken: The members all agreed that the first option should be adopted, with the exercise of leverage to be decided in each instance by a Cabinet level policy council. Every agency, with the exception of CEA, also agreed that we should seek a commitment by Japan to increase manufactured imports from all countries.

The consensus of the meeting was that the President should seek Prime Minister Nakasone's agreement to intensified bilateral talks to remove barriers in selected sectors, and indicate that he would "regretfully" have to use his powers regarding access to the U.S. market if the Japanese failed to take satisfactory action. He would also call on the Prime Minister to announce as a Japanese national goal a significant increase of all manufactured imports over the next two to three years.

Finally, it was agreed that these points would be incorporated in a rewrite of the CCCT/TPC briefing paper and communicated to the Department of State for inclusion in the President's briefing book.

The Council adjourned at 3:50 p.m.